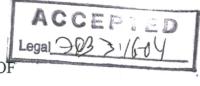
BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA DOCKET NO. 2004-0044-C





In Re:

Petition of LEVEL 3 COMMUNICATIONS, LLC

For Arbitration Pursuant to Section 252(b) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996, and Pursuant to S.C. Code Ann. § 58-9-280(D) (1976, as amended) for Rates, Terms, and Conditions with BellSouth Telecommunications, Inc.



LEVEL 3 COMMUNICATION'S, LLC

FIRST SET OF INTERROGATORIES AND FIRST SET OF REQUESTS FOR PRODUCTION TO BELLSOUTH TELECOMMUNICATIONS, INC.

Pursuant to S.C.Code Ann. Regs. 103-851, Level 3 Communications, LLC. ("Level 3") hereby serves upon Bellsouth Telecommunications, Inc. ("Bellsouth") the following interrogatories and requests for production.

INSTRUCTIONS

1. Please answer each question separately and in the order that it is asked. The numbers of the answers should correspond to the number of the Interrogatory being answered. Following each answer, please identify the person or persons responsible for the answer and indicate what person or witness provided responsive information or documents, and where applicable, what witness will sponsor each answer in testimony.

- 2. In response to the data requests seeking the production of documents, please produce all responsive documents for inspection and copying unaltered and/or unredacted as they are kept in the usual course of business and organize and label them to correspond to the categories in this request. If the requested documents are kept in an electronic format, you shall produce the requested documents in such format. If any part of a document is responsive to any request, the whole document is to be produced. If there has been any alteration, modification, or addition to a document (whether in paper form or electronic), including any marginal notes, handwritten notes, underlining, date stamps, received stamps, attachments, distribution lists, drafts, revisions or redlines, each such alternation, modification or addition is to be considered a separate document.
- In response to interrogatories requesting you to identify documents or other items, information or materials for disclosure, please identify the document(s) or other item(s), information or material(s) in sufficient detail so that they can be produced in response to a separate Request for Production. Such identification shall contain the number (and subpart, if applicable) of the interrogatory requesting the identification and the page count or description of the document or item. Additionally, to the extent known, the listing shall include the author, publisher, title, date, and any "Bates" or other sequential production numbering for the document or item. When responding to the Request for Production, please produce copies of all documents, other items, information or materials that were identified in response to a request or directive to "identify for disclosure" in the interrogatories. For each document or other item, identify by number (including subpart) of the interrogatory which caused the "identification for disclosure".

- 4. Please produce the requested information at the most granular level you possess. If an interrogatory seeks information at a level more granular than what you possess, please do not object or decline to answer or produce on that basis, but rather, state that you do not possess information at that level and produce the information requested at the most granular level that you possess. Level 3 is not asking for the creation of new data, but is seeking all available data for the specific categories and subcategories described.
- 5. Please produce all information requested on any table by filling in the table provided in these Interrogatories. If additional explanation is required, please copy the question and provide your response below.
- 6. As used in these requests, the singular shall also be treated as plural and vice-versa. If you are unable to respond fully and completely to a document request, you shall explain the reasons why you are unable to do so. The terms defined above and the individual requests for information should be construed broadly to the fullest extent of their meaning in a good faith effort to comply with all applicable rules.
- 7. This request is directed to all documents and information in your custody or control. A document is deemed to be in your custody or control if you have possession of the document, have the right to secure such document or communication from another person having possession thereof, or the document or communication is reasonably available to you (including those documents or communications in the custody or control of your company's present employees, attorneys, agents, or other persons acting on its behalf and its affiliates). In response to requests for production of

documents contained in these Interrogatories, you shall produce the document, including all appendices, exhibits, schedules, and attachments, that is most relevant to the request.

- 8. If you are unable to produce a document or information based on a claim that the document is not in your custody or control, state the whereabouts of such document or information when it was last in your possession, custody or control, and provide a detailed description of the reason the document is no longer in your possession, custody or control, and the manner in which it was removed from your possession, custody or control.
- 9. These interrogatories are continuing in nature, and should there be a change in circumstances which would modify or change an answer supplied by your company, then in such case, you should change or modify such answer and submit such changed answer as a supplement to the original answer. Further, should a subsequent version(s) of a document have been created or exist as of the date of this Interrogatory, such version(s) must be produced. Where prior versions or drafts of documents exist, please produce all such documents in your possession, custody or control.
- 10. Level 3 requests that you answer these Interrogatories under oath or stipulate in writing that interrogatory responses can be treated exactly as if they were filed under oath.
- 11. If you claim a privilege, or otherwise decline to produce or provide, any document or information responsive to one or more of the following categories, in addition to, and not in lieu of, any procedure that you must follow under law to preserve your objection(s) and/or privilege(s), within ten (10) days after receiving

these Interrogatories, the attorney asserting the privilege shall:

- (a) identify in the objection to the request for information, or sub-part thereof, detailed reasons for your claim of privilege or other basis for protecting the document or information from disclosure; and the nature of the privilege (including work product) that is being claimed; and
- (b) provide the following information in the objection, unless divulging such information would cause disclosure of the allegedly privileged information:
 - (i) for documents: (1) the type of document; (2) subject matter of the document; (3) the date of the document; (4) the number of pages in the document; (5) the location or custodian of the document; (6) such other information as is sufficient to identify the document for a subpoena duces tecum, including, where available, the names(s), address(es) and telephone number of the author(s) of the document and all recipient(s), and, where not apparent, the relationship of the author and addressee to each other;

- (ii) for oral communications: (1) the name(s), address(es) and phone number(s) of the person making the communication and the name(s), address(es) and phone number(s) of the persons present while the communication was made; (2) the relationship of the person(s) present to the person(s) making the communication; (3) the date and place of each communication; (4) the general subject matter of the communication.
- be confidential, the attorney asserting such confidential status shall inform counsel for Level 3 identified below of this designation as soon as he or she becomes aware of it, but in any event, prior to the time the responses to the Interrogatories are due to discuss or negotiate a compromise. The confidential documents however, should be produced pursuant to the protective order(s) and/or non-disclosure agreement(s) executed in this proceeding.
- 13. These interrogatories and requests for production refer to the proposed interconnection agreement language which is reflected in Exhibit B to Level 3's Petition for Arbitration.
- 14. Answers to these interrogatories and requests for production are to be provided by the date set forth in the Order Setting Out Procedural Schedule. Service of responses, and all notifications, shall be made in person or by email as follows:

Henry C. Campen, Jr., Esq. henrycampen@parkerpoe.com

Richard E. Thayer, Esq. rick.thayer@level3.com

and

Victoria R. Mandell, Esq. Victoria.Mandell@Level3.com

DEFINITIONS

- 1. "BellSouth" and "BellSouth's" refer to BellSouth Telecommunications, Inc. as well as any predecessors in interest, parent(s), subsidiaries, and affiliates, their present and former officers, employees, agents, directors, and all other persons acting or purporting to act on behalf of BellSouth.
- 2. "Affiliates" (affiliated, affiliate) is defined as found in the Telecommunications Act of 1996. Section 3 of the Act defines the term "affiliate" as "a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term 'own' means to own an equity interest (or the equivalent thereof) of more than 10 percent." 47 U.S.C. § 153(1).
 - 3. "Level 3" refers to Level 3 Communications, LLC.
 - 4. "Commission" refers to the South Carolina Public Service Commission.
- 5. "Identification" or "identify" when used in reference to: (i) a natural individual, requires you to state his or her full name and residential and business address; (ii) a corporation, requires you to state its full corporate name and any names under which it does business, the state of incorporation, and the address of its principal place of

business; (iii) a document, requires you to state the number of pages and the nature of the document (e.g., a letter or memorandum), its title, its date, the name or names of its authors and recipients, and its present location or custodian; (iv) a communication, requires you, if any part of the communication was written, to identify the document or documents which refer to or evidence the communications, and to the extent that the communication was not written, to identify the persons participating in the communication and to state the date, manner, place, and substance of the communication.

INTERROGATORIES

Arbitration Petition - Issue One

1. In section 3.3.3 of attachment three BellSouth's proposed language is "The terms, conditions and rates for ordering charges applicable to the ordering Party (e.g. expedite, cancellation, and order modification charges) are as set forth in the providing party's access services tariff as filed and effective with the FCC or Commission." Were these access service ordering charges approved by the state Commission in compliance with Section 252(d) of the federal Telecommunications Act? Are these access service ordering charges in compliance with the FCC's TELRIC pricing rules? What is BellSouth's basis for avoiding TELRIC pricing requirements for these ordering charges?

RESPONSE:

2. In section 3.3.3 of attachment three BellSouth's proposed language is "The terms, conditions and rates for ordering charges applicable to the ordering Party (e.g. expedite, cancellation, and order modification charges) are as set forth in the providing party's access services tariff as filed and effective with the FCC or Commission." Are any incumbent local exchange carriers, competitive local exchange carriers or independent telephone companies paying these ordering charges out of the access services tariff to BellSouth? If so, please identify those carriers and companies.

RESPONSE:

3. In section 4.8 of attachment three BellSouth's proposed language is "For two-way trunk groups that carry only both Parties' Local Traffic and ISP-Bound Traffic, the Parties shall be compensated at 50% of the nonrecurring and recurring rates for dedicated trunks and DS1 facilities." Please identify the state commission order or rule approving these charges.

4. In section 4.8 of attachment three BellSouth's proposed language is "For two-way trunk groups that carry only both Parties' Local Traffic and ISP-Bound Traffic, the Parties shall be compensated at 50% of the nonrecurring and recurring rates for dedicated trunks and DS1 facilities." How does this language not conflict with FCC Rule 51.709(b)?

RESPONSE:

5. In section 4.8 of attachment three BellSouth's proposed language is "For two-way trunk groups that carry only both Parties' Local Traffic and ISP-Bound Traffic, the Parties shall be compensated at 50% of the nonrecurring and recurring rates for dedicated trunks and DS1 facilities." Are any incumbent local exchange carriers, competitive local exchange carriers or independent telephone companies paying these charges for two-way trunk groups to BellSouth? If so, please identify those carriers and companies.

RESPONSE:

6. Please identify any engineering guidelines or standards, or any other source of legal or technical support for the idea that traffic on two-way trunks has to be in balance.

RESPONSE:

7. Please list the charges that BellSouth plans to levy on Level 3 for trunks from BellSouth switches to the IP for traffic that is originated by BellSouth customers. Please explain the nature of these charges and whether any of then are recurring monthly charges. List the amount and name of each charge. Do these charges appear in any BellSouth tariffs? If so, please identify which tariffs and the reference within each such tariff.

Arbitration Petition - Issue Two

8. Does BellSouth sell VoIP products or services either itself, through its own affiliates or through a third party agent?

RESPONSE:

9. What IP voice products does BellSouth offer, either itself, through its own affiliates or through a third party agent?

RESPONSE:

10. What are BellSouth's plans for providing VoIP to its customers either through its own affiliates or through a third party?

RESPONSE:

11. Do BellSouth or any of its affiliates sell local services to providers of VoIP products or services?

RESPONSE:

12. Do BellSouth or any of its affiliates provide interstate VoIP services by which end users can make calls from devices connected to the internet and terminated to the PSTN? Does BellSouth contend that it will pay access charges to all other carriers nation wide for such traffic?

Does BellSouth agree that federal law requires it to treat enhanced service providers for purposes of interconnection, like any other business customer of local services and therefore that it cannot assess per-minute access charges on such customers? If not, please explain why not.

RESPONSE:

14. Does BellSouth agree that for VoIP traffic if the called party and the calling party are located in the same exchange or a corresponding Extended Area Service (EAS) exchange that traffic is subject to reciprocal compensation? If not, please explain why not.

RESPONSE:

15. Has BellSouth ever reached agreement with any incumbent local exchange carrier, competitive local exchange carrier or independent telephone company to handle intercarrier compensation for VoIP traffic at some rate other than switched access?

RESPONSE:

16. Does BellSouth ever use internet protocol to carry voice traffic on BellSouth's network?

RESPONSE:

17. Does Bellsouth agree that the FCC has exclusive jurisdiction over whether LEC's may impose switched access charges on VoIP traffic?

18. Please identify the amount of access charges borne by customers subscribing to the BellSouth Answers plan during 2003 in South Carolina.

RESPONSE:

19. Please identify the amount of access charges borne by customers subscribing to BellSouth's Complete Choice plans during 2003 in South Carolina.

RESPONSE:

Arbitration Petition – Issue Three

20. Is BellSouth currently compensating any other common carrier certificated under state law or considered a carrier under federal law, including, but not limited to, any non-dominant interstate interexchange carrier for ISP-Bound traffic without caps on the number of ISP-Bound minutes?

RESPONSE:

21. Does BellSouth or any of BellSouth's affiliates have a financial interest in any ISP that offers access to the internet via dialup services whether within or without BellSouth operating territory?

RESPONSE:

22. Has BellSouth ever rendered a bill for interstate or intrastate access charges or any other bill for purposes of collecting intercarrier compensation to any BellSouth or BellSouth affiliated ISP referenced in question 21 above?

23. Has any BellSouth or BellSouth affiliated ISP referenced in question 21 above ever paid intrastate or interstate access charges to BellSouth?

RESPONSE:

24. What equipment does BellSouth or any of BellSouth's affiliates have in each exchange or a corresponding Extended Area Service (EAS) exchange in which the ISP has customers?

RESPONSE:

25. Are there any exchanges or corresponding Extended Area Service (EAS) exchanges in which the BellSouth ISP has customers and does not have equipment?

RESPONSE:

26. Please identify all interconnection agreements currently effective between BellSouth Telecommunications, Inc. and a CLEC, ILEC, IXC or wireless carrier that contain the identical terms to those being advocating by BellSouth for the definition of ISP-Bound traffic (7.2 of Attachment 3, *i.e.*, the ISP must have an ISP server or modem in either the exchange or a corresponding Extended Area Service (EAS) exchange).

RESPONSE:

27. Does BellSouth require that BellSouth or any of BellSouth's affiliates that have a financial interest in any ISP place, maintain or install an ISP server or modem in the exchange or a corresponding Extended Area Service (EAS) exchange in order to not pay access charges for locally dialed ISP-Bound traffic?

28. What equipment does BellSouth or any of BellSouth's affiliates have in each end office in each exchange or a corresponding Extended Area Service (EAS) exchange in which the ISP has customers?

RESPONSE:

29. Please provide a detailed explanation of the BellSouth trunking and facilities in the BellSouth network architecture which support any ISPs in which BellSouth or any of BellSouth's affiliates have a financial interest.

RESPONSE:

30. In how many end offices do the BellSouth ISPs (i.e., those ISPs that BellSouth or any of BellSouth's affiliates have a financial interest in) have a direct connection to the internet?

RESPONSE:

31. What are the per minute charges that BellSouth Enterprises pays BellSouth Telecommunications for ISP bound traffic?

RESPONSE:

32. Please describe the compensation mechanism between BellSouth, Telecommunications and BellSouth Long Distance or BellSouth Enterprises when rearrangements of network facilities are required of BellSouth Telecommunications to meet the needs of those entities.

33. What is the BellSouth legal or technical rationale for its definition of ISP-Bound traffic (7.2 of attachment 3, i.e., the ISP must have an ISP server or modem in either the exchange or a corresponding Extended Area Service (EAS) exchange)?

RESPONSE:

Arbitration Petition - Issue Six

34. Does BellSouth agree that where each party utilizes its own STPs there should not be any recurring charges for signal messaging in connection with traffic exchanged under the interconnection agreement and that each party should only be responsible for compensating the other party for the physical links it may order from the other party necessary to establish interconnection between the parties' respective signaling networks? If BellSouth does not agree, please explain why not.

RESPONSE:

35. Does BellSouth agree that Level 3 should not have to compensate BellSouth for SS7 charges associated with local traffic?

RESPONSE:

36. Does BellSouth agree that Level 3 should not have to compensate BellSouth for SS7 charges associated with interstate traffic?

RESPONSE:

37. If Level 3 uses a third party provider for SS7 signaling, does BellSouth agree in principle that Level 3's third party provider should not have to compensate BellSouth for SS7 charges associated with local traffic? If not, please explain why not.

38. Please identify the specific sections in each BellSouth local and access tariff which specify the charges for SS7 signaling. Also, please provide citations to, or copies of, the commission order or rule approving these charges.

RESPONSE:

39. Does BellSouth have the technical ability to distinguish local, intrastate, and interstate traffic for SS7 signaling?

RESPONSE:

40. Does BellSouth agree that if the costs for SS7 signaling are already recovered in local rates that Level 3 should not be billed for SS7 signaling? If Bellsouth does not agree please provide copies of the Commission order or rule that excluded Bellsouth's recovery of SS7 signaling costs in local rates?

RESPONSE:

41. Does BellSouth agree that if a BellSouth end user originates the call that Level 3 should not have to pay BellSouth for SS7 signaling for that call?

RESPONSE:

42. Is it BellSouth's position that it does not matter whose end user originates the call when BellSouth charges Level 3 for SS7 signaling?

43.	Is it BellS	South's po	sition th	at the	concept	of calling	party pays	s is not
relevant when	Bellsouth o	harges for	SS7 sign	naling	based on	BellSouth	originated 1	traffic?

RESPONSE:

44. Is it BellSouth's position that FCC rule 51.703(b) is not relevant when Bellsouth charges for SS7 signaling based on BellSouth originated traffic?

RESPONSE:

45. What is the legal basis for BellSouth's position that Level 3 should have to compensate BellSouth for SS7 charges associated with intrastate calls?

RESPONSE:

46. Are any incumbent local exchange carriers, competitive local exchange carriers or independent telephone companies paying SS7 charges to BellSouth? If so, please identify those carriers and companies.

RESPONSE:

47. Are any incumbent local exchange carriers, competitive local exchange carriers or independent telephone companies paying SS7 charges to BellSouth for traffic that BellSouth originates? If so, please identify those carriers and companies.

48. Which dockets approved BellSouth's SS7 charges pursuant to Section 252(d) of the federal Telecommunications Act?

RESPONSE:

49. Are the rates that BellSouth is currently billing Level 3's third party provider TELRIC rates or access rates? Are these rates the same as the rates that BellSouth charges other facilities based carriers that do not use a third party provider for SS7 signaling?

RESPONSE:

<u>Arbitration Petition – Issue Ten(a) and Ten(b)</u>

50. In BellSouth's response to Level 3's arbitration petition, BellSouth states, "However, if a section or attachment of the Agreement becomes unlawful by its terms, then that section or attachment can be amended, by mutual consent of the Parties, to make it lawful." Does this responsive statement by BellSouth mean that pursuant to BellSouth's proposed Indivisibility clause (section 16 of the General Terms and Conditions) under those circumstances the Parties entire interconnection agreement would be invalid if the Parties were unable to amend the affected section or attachment by mutual consent? If this is not BellSouth interpretation of the Indivisibility clause, please explain why it is not.

RESPONSE:

51. Pursuant to BellSouth's proposed Indivisibility clause (section 16 of the General Terms and Conditions), is it BellSouth's position that if the FCC determines that a particular UNE previously listed as available in the Parties interconnection agreement no longer has to be provided by BellSouth then the entire interconnection agreement is invalid? If this is not BellSouth interpretation of the Indivisibility clause, please explain why it is not.

Arbitration Petition - Issue Six

52. Please identify all interconnection agreements currently effective between BellSouth Telecommunications, Inc. and a CLEC, ILEC, IXC or wireless carrier that contain the identical terms to those being advocating by BellSouth for the treatment of Deposits in this agreement.

RESPONSE:

Arbitration Petition – Remaining Issues

53. How is provisioning access to a fiber-to-the-home (FTTH) in an overbuild environment for those activities that BellSouth would have to undertake different from provisioning a standard loop that would justify a different provisioning interval? (Issue 20)

RESPONSE:

BellSouth has rejected Level 3's proposed language in 1.1.1 in Attachment 11, Bona Fide Request and New Business Request Process, which states, "If BellSouth provides any network element, interconnection option, or service option, that is not identified in this Agreement to itself, to any BellSouth affiliate, or to any telecommunications carrier (including Level 3), BellSouth shall make available to Level 3, upon Level 3's request, and without submission of a BFR, the same network element, interconnection option, or service option." If BellSouth has already provided the same network element, interconnection option, or service option for another entity, please explain how is it not discriminatory for BellSouth to require Level 3 upon Level 3's request to have to go through the costs and timing delays of the entire BFR process? (Issue 48)

RESPONSE:

55. In Attachment 11, section 1.3 BellSouth has rejected Level 3's proposed additional language that BellSouth inform Level 3 of the existence of any similar BFRs made by other parties. Also, in BellSouth's Response to Level 3's Petition for Arbitration issue 11-2, BellSouth states, "That said, a BFR request by another CLEC that results in a service being offered to that CLEC will generally be made a part of the Bell/South/CLEC interconnection agreement (usually as an amendment). Thus, the rates, terms and

conditions are filed with the Commission, and are available publicly for review by Level 3." What is the BellSouth process, if there is one, for notifying other CLECs, such as Level 3, when another CLEC's interconnection agreement has been amended to incorporate such a new service? Does BellSouth publicly notify other CLECs, such as Level 3, through an industry letter posted on the BellSouth website? Does BellSouth take any other independent initiative to notify other CLEC of the availability of the amendment for a new service to the CLEC's interconnection agreement? (Issue 48)

RESPONSE:

56. In Attachment 11, section 1.3 BellSouth has rejected Level 3's proposed additional language that BellSouth inform Level 3 of the existence of any similar BFRs made by other parties. Also, in BellSouth's Response to Level 3's Petition for Arbitration issue 11-2, BellSouth states, "That said, a BFR request by another CLEC that results in a service being offered to that CLEC will generally be made a part of the Bell/South/CLEC interconnection agreement (usually as an amendment). Thus, the rates, terms and conditions are filed with the Commission, and are available publicly for review by Level 3." For all of the BFRs in each year, 2001, 2002, and 2003 how many times in the past three years has BellSouth actually created a new service and then amended the requesting CLEC's interconnection agreement? Please identify the instances, identify the CLECs and identify the dates of the interconnection agreement amendments. For all of the BFRs in each year, 2001, 2002, and 2003 how many times in the past three years has BellSouth added any new BFR to BellSouth's standard interconnection agreement? (Issue 48)

RESPONSE:

57. If a new or modified network element, interconnection option, or service option has been ordered by the FCC or Commission why should Level 3 be forced to go through the preliminary analysis step in the BFR process if the particular BFR has already been provided to another CLEC? If Level 3 requests such a new or modified service and another CLEC has already gone through the BFR process for that new or modified service will BellSouth inform Level 3 of that fact when Level 3 makes a request for that service? (Issue 49).

REQUESTS FOR PRODUCTION

1. Please provide a copy of any documents identified in response to any interrogatory.

Faye A. Flowers

PARKER POE ADAMS & BERNSTEIN, LLP 1201 Main Street, Suite 1450 (29201)

ye a Glowers

Post Office Box 1509

Columbia, South Carolina 29202

803-255-8000 (telephone)

803-255-8017 (facsimile)

fayeflowers@parkerpoe.com

Attorneys for Level 3 Communications, LLC

Columbia, South Carolina March 16, 2004

Certificate of Service

The undersigned hereby certifies that on March 16, 2004 s/he caused a copy of the foregoing Level 3 Communications' First Set of Interrogatories and Requests for Production to BellSouth Telecommunications, Inc. to be served on all parties of records by electronic mail and regular mail, first class postage prepaid, addressed as follows:

Patrick W. Turner, Esquire
General Counsel – South Carolina
BellSouth Telecommunications, Inc.
Legal Dept.
1600 Williams Street
Suite 5200
Columbia, South Carolina 29201
Patrick.Turner@BellSouth.com

Kip Edenfield
BellSouth Telecommunications, Inc.
Room 34S91
675 West Peachtree Street, N.W.
Atlanta, GA 30375
Kip.Edenfield@BellSouth.Com

Florence P. Belser, Esquire South Carolina Public Service Commission Synergy Business Park 101 Executive Center Drive Columbia, SC 29210 florence.belser@psc.state.sc.us

F. David Butler, Esquire
General Counsel
South Carolina Public Service Commission
Synergy Business Park
101 Executive Center Drive
Columbia, SC 29210
david.butler@psc.state.sc.us

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